Decision 13-12-004 December 5, 2013

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Consider the Annual Revenue Requirement Determination of the California Department of Water Resources and Related Issues.	Rulemaking 13-02-019 (Filed February 28, 2013)

DECISION ALLOCATING THE FINAL REVISED 2014 REVENUE REQUIREMENT DETERMINATION OF THE CALIFORNIA DEPARTMENT OF WATER RESOURCES

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1. Summary

In accordance with the Rate Agreement between the California Department of Water Resources (DWR) and California Public Utilities Commission (Commission), DWR submitted its 2014 revenue requirement determination of $873 million to this Commission on August 1, 2013. DWR then updated and made some changes to its revenue requirement and submitted a final revised 2014 revenue requirement determination on October 18, 2013. The final revised determination is for a revenue requirement of $874 million, an increase of $1 million as compared to the August 1, 2013 submission. The $874 million revenue requirement consists of $869 million in bond charges and $5 million in power charges.

In today's decision, we allocate DWR's final revised 2014 bond charge related revenue requirement of $869 million to the electric customers of Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (SCE)[1] using the allocation methodology adopted in Decision (D.) 05-06-060, as modified by D.08-11-056.[2] The allocation results in the electric customers of all three utilities paying $0.00513 per kilowatt-hour (kWh) for DWR's recovery of bond charges As shown in Appendix A of this decision, the Power Charges of $5 million, which

[1] PG&E, SDG&E, and SCE are identified jointly as "Investor-Owned Utilities" or "IOU" throughout this decision.

[2] See D.08-11-056 at 7-8.

provides the funds to cover DWR's 2014 energy costs, are allocated to the electric customers of PG&E and SDG&E. The PG&E allocation consists of PG&E paying a $0.25802 per kWh charge for the power, and the return of excess amounts of approximately $15 million. Since SCE and SDG&E customers do not have energy deliveries from DWR in 2014, no power charge rate is set, and their allocation results in a return of excess amounts of approximately $27 million each.[3] We also adopt a methodology for the allocation of negative revenue requirements for PG&E, SCE, and SDG&E for the year 2014.

The revenue requirement is allocated based on Commission action on the settlement of the IOUs regarding the Kern River Gas Transmission Company Firm Transportation Service Agreement (see D.13-11-003).

2. Background

The California Department of Water Resources (DWR) submitted its 2014 revenue requirement determination to the California Public Utilities Commission (Commission) on August 1, 2013. This submission consisted of the "Determination of Revenue Requirements for the Period January 1, 2014 Through December 31, 2014," the "Notice of Determination of Revenue Requirements," and a memorandum from John Pacheco of DWR to President Michael R. Peevey of the Commission, all provided via electronic mail on August 1, 2013. The memorandum notified the Commission of DWR's 2014 revenue requirement determination, and requested "that the Commission calculate, revise and impose Bond Charges in accordance with Article V of the Rate Agreement…" and "that

[3] The $5 million of power charge remittances reflect what DWR receives from power delivered in 2013 to PG&E and SDG&E customers (cash is received in 2014). In 2014 only PG&E has energy deliveries over which to charge a remittance rate. Customers of all three utilities receive excess amounts from DWR's power accounts.

the Commission calculate, revise and impose Power Charges in accordance with Article VI of the Rate Agreement…."[4]

On August 30, 2013, Pacific Gas and Electric Company (PG&E) and Southern California Edison Company (SCE) jointly filed their Prehearing Conference (PHC) Statement regarding issues of interest to the two utilities. On September 5, 2013, the Commission held a PHC to discuss the processing of DWR's 2014 revenue requirement determination. At the PHC, DWR informed the assigned Administrative Law Judge (ALJ), that it was planning to submit a revised 2014 revenue requirement determination to the Commission by October 18, 2013.

On October 9, 2013, DWR initiated its revision of the 2014 revenue requirement by issuing a "Proposed Revision to the Determination of Revenue Requirements." The deadline for submitting comments to DWR through its administrative process was October 16, 2013. DWR did not receive any comments on its proposed revision.

On October 18, 2013, DWR submitted its final revised 2014 revenue requirement determination to the Commission. This submission consists of the October 18, 2013 "Revision to the Determination of Revenue Requirement for the Period January 1, 2014 Through December 31, 2014," "Notice of Proposed Revision of Determination of a Revenue Requirement," and DWR's October 18, 2013 memorandum to President Michael R. Peevey titled "Notification of Revised Revenue Requirement Determination for 2014." DWR stated in its final revised 2014 determination that it may propose further revisions to its 2014 revenue

[4] The terms "Bond Charge" and "Power Charges" are defined in Article I of the Rate Agreement that was adopted in Decision (D.) 02-02-051.

requirement, given the potential for significant or material changes in the California energy market, DWR's associated obligations and operations related to its long-term power and natural gas contracts, novation of its contracts, and any other events that may materially affect the realized or projected financial performance of the Power Charge or Bond Charge accounts. If such an event occurs, DWR will inform the Commission of such material changes and may revise its 2014 revenue requirement accordingly.

Additionally, DWR supports the Investor-Owned Utilities (IOUs) in their efforts to novate[5] from DWR, the legal and financial responsibility for the Kern River Gas Transmission Company Firm Transportation Service Agreement (TSA). The Commission is scheduled to vote on a proposed decision regarding a TSA settlement at the November 14, 2013 Commission meeting. DWR states that if, by January 1, 2014, it is no longer legally and financially responsible for the costs of the TSA, it projects that it will have additional excess reserves that can be returned to ratepayers. Using the assumptions supporting its 2014 Determination, DWR projects that the amount returned to ratepayer in the 2014 Revenue Requirement period would increase from $59 million to $98 million. In such event, DWR will inform the Commission of such material changes and may revise its revenue requirements accordingly.

In her electronic ruling dated October 18, 2013, the assigned ALJ announced the procedure for the filing of a protest or objection to the allocation of the final revised 2014 revenue requirement determination. In particular, the ALJ reminded the service list that any protest or objection to the allocation of the

[5] To replace an old contract with a new one.

final revised 2014 revenue requirement determination must be filed by noon on October 25, 2013. No comments were filed.

We confirm all assigned Commissioner and ALJ rulings herein.

3. Allocation of the Final Revised 2014 Revenue Requirement Determination

3.1. Background

The Commission's obligation is to calculate, revise, and impose the Bond Charge and Power Charges on the electric customers of the three major electric utilities, namely PG&E, SCE, and SDG&E. This obligation is contained in the Rate Agreement that was adopted by the Commission in D.02-02-051, and Water Code §§ 80110 and 80134. We perform these calculations using the allocation methodology that we adopted in D.05-06-060, as modified by D.08-11-056, the results of which appear in Appendix A of this decision.

The final revised 2014 revenue requirement determination updated the information contained in the prior August 1, 2013 submission by incorporating DWR's preliminary actual operating results through September 30, 2013. The final revised determination used: 1) updated actual Electric Power Fund Operating and Bond Account operating results through September 30, 2013; 2) updated natural gas price forecasts and related assumptions; and 3) updated projections for contract costs for the remainder of the Power Supply Program, including the projected costs related to a natural gas TSA, expiring in 2018, that was associated with the long term contract with Sunrise Power Company, LLC.

According to DWR, the final revised 2014 revenue requirement determination results in a total increase of $1 million as compared to the original determination that was submitted on August 1, 2013, which is entirely comprised of an increase in DWR's Bond Charge Revenue Requirement. As a result of the revisions, DWR plans to return $59 million to electric customers, which is $8.7 million more than planned in the August 1, 2013 filing. The increased return of excess amounts is primarily attributable to the projected beginning balance in the operating accounts for 2014 being $8 million higher than previously projected; and projected contract costs being approximately $1 million less than previously projected due to a lower gas price forecast. The Power Charge Revenue Requirement remains at $5 million. DWR plans to end 2014 with $79 million in the Power Charge accounts, which is the same balance projected in the August 1, 2013 filing.

DWR's final revised 2014 revenue requirement determination contains the information needed to recover the revenue requirement from the utilities' electric customers for calendar year 2014. The final revised 2014 revenue requirement determination is based on the assumptions contained in Section D of DWR's revised determination. DWR considered a number of assumptions, including retail customer load, power supply, natural gas prices, and administrative and general expenses, as well as other considerations affecting DWR's revenues and expenses.

3.2. Negative Revenue Requirement

In past decisions (including D.10-12-006 and D.11-12-005, and D.12-11-040) we authorized methods for determining and returning the negative revenue requirement to PG&E, SCE, and SDG&E electric customers.[6] We continue to use these adopted methodologies for PG&E, SCE, and SDG&E.

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[6] As DWR contracts expire or are novated, DWR's required operating reserves are also reduced. With the expiration or novation of these contracts, utilities may experience a "negative revenue requirement," which means that the return of operating reserves to be returned to the investor-owned utilities' electric customers is greater than the

Footnote continued on next page

3.3. Effect on Rates

Given the Commission's resolution of the TSA settlement in the current proceeding (see D.13-11-003), the Commission shall utilize DWR's 2014 revenue requirement scenario that includes consideration of such an eventuality to determine the excess reserves to be returned to electric customers that are adopted herein.

Based on these calculations, DWR' power charge account balances are reduced by $99 million in 2014. This reduction is allocated to customer in the IOU service areas as follows: approximately $35 million to PG&E electric customers, approximately $49 million to SCE electric customers, and approximately $15 million to SDG&E electric customers in 2014. These amounts, along with DWR's 2014 revenue requirement results in an overall reduction to the Power Charges allocated to SCE's electric customers of approximately $27 million and SDG&E's electric customers of approximately $27 million.

3.4. Bond Charges

DWR requests that the Commission calculate, revise and impose the Bond Charge on the three utilities so as to satisfy the Rate Covenant in Article V of the Rate Agreement between DWR and the Commission. The Bond Charge is designed to recover DWR's costs associated with its bond financing activities from the utilities' electric customers.

DWR's final revised 2014 revenue requirement determination states that the portion for bond-related costs is $869 million. DWR's modeling in support of its final revised determination indicates that a Bond Charge of $0.00513 per

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allocated costs to such customers, resulting in a reduction of customer rates or offset to other rate increases.

kilowatt-hour (kWh) is required to collect this $869 million. We adopt DWR's requested 2014 Bond Charge, and the Bond Charge rate of $0.00513 per kWh shall be allocated to the electric customers of PG&E, SCE, and SDG&E.

3.5. Power Charges

DWR requests that the Commission calculate, revise and impose Power Charges on the three utilities. The Power Charges are designed to provide the funds necessary to satisfy DWR's final revised 2014 revenue requirement determination for the cost of electric power sold to the utilities' electric customers.

DWR's final revised determination states that its 2014 revenue requirement for the Power Charge is $5 million. We adopt DWR's requested 2014 Power Charge, and the Power Charges shall be calculated and allocated to the electric customers of PG&E and SDG&E as shown in Appendix A of this decision. The Power Charges allocated to the electric customers of PG&E is $0.258 per kWh, respectively.

3.6. Request to Incorporate Rates Determined Herein

PG&E and SCE requested that the Commission authorize the IOUs to incorporate the changes to electric rates that reflect the adopted DWR Bond and Power Charges authorized herein in their respective Annual Electric True-up (AET) filings that will be filed on or about December 31, 2013.

PG&E stated that in past DWR revenue requirement decisions issued by the Commission, the 30 days required by the Commission to institute the authorized rates did not coincide with the slightly later filing of the IOU's AET filing. This timing difference required the IOUs to submit a request to the Commission's Executive Director each year, requesting an extension of the

30-day requirement in the DWR revenue requirement decision. SCE supports this procedural revision.

By revising this procedural requirement, the IOUs will not have to request an extension and will be able to institute all authorized rate changes in the same filing. We therefore authorize PG&E, SCE, and SDG&E to request institution of the DWR revenue requirement for each IOU, adopted herein, through their respective AET filings, for the year 2014 and every year thereafter.

4. Rehearing and Judicial Review

This decision construes, applies, implements, and interprets the provisions of Assembly Bill (AB) 1X (Chapter 4 of the Statutes of 2001-2002 First Extraordinary Session), and relates to the implementation of DWR's revenue requirement and the establishment and implementation of the Bond Charge and Power Charges necessary to recover that revenue requirement. Therefore, pursuant to Public Utilities Code Section 1731(c), any application for rehearing of this decision is due within 10 days after the date of issuance of this decision. The procedures contained in Public Utilities Code Section 1768 apply to the judicial review of a Commission order or decision that interprets, implements, or applies the provisions of AB 1X.

5. Reduction of Comment Period

Pursuant to Rule 14.6(b) of the Commission's Rules of Practice and Procedure, all parties stipulated to reduce the 30-day public review and comment period required by Section 311 of the Public Utilities Code to five days for opening comments and five days for reply comments. Pursuant to the parties' stipulation, opening comments will be filed 10 days from the mailing of this proposed decision, and reply comments will be filed 15 days from the mailing of this proposed decision. No comments were filed.

6. Assignment of Proceeding

Michel Peter Florio is the assigned Commissioner, and Seaneen M. Wilson is the assigned ALJ in this proceeding.

Findings of Fact

1. DWR submitted its 2014 revenue requirement determination to the Commission on August 1, 2013.

2. A PHC was held on September 5, 2013 to discuss the processing of DWR's 2014 revenue requirement determination.

3. DWR's final revised 2014 revenue requirement determination was submitted to the Commission on October 18, 2013.

4. The main difference between the August 1, 2013 determination of $873 million and the October 18, 2013 final revised 2014 revenue requirement determinations of $874 million is due to an increase in the Bond Charge Revenue Requirement of $1 million.

5. DWR's final revised 2014 revenue requirement determination contains the information needed to determine the revenue requirement allocated to utility electric customers for calendar year 2014.

6. DWR's final revised 2014 Determination used: 1) updated actual Electric Power Fund Operating and Bond Account operating results through September 30, 2013; 2) updated natural gas price forecasts and related assumptions; and 3) updated projections for contract costs for the remainder of the Power Supply Program.

7. As a result of the final revisions, DWR plans to return $59 million to electric customers, which is $8.7 million more than planned in the August 1, 2013 filing. The increased return of excess amounts is primarily attributable to the projected beginning balance in the operating accounts for 2014 being $8 million higher than

previously projected; and projected contract costs being approximately $1 million less than previously projected due to a lower gas price forecast.

8. The Bond Charge is designed to recover DWR's costs associated with its bond financing activities.

9. DWR's final revised 2014 revenue requirement for bond-related costs is $868 million, which results in a Bond Charge of $0.00513 per kWh.

10. The Power Charges are designed to provide the funds necessary to satisfy DWR's final revised 2014 revenue requirement for the cost of electric power sold to the utilities' electric customers.

11. DWR's final revised 2014 revenue requirement for the Power Charge is approximately $5 million results in the allocated Power Charge to the electric customers of PG&E of $0.258/kWh.

12. If DWR requests any revision to the authorized 2014 DWR revenue requirement, it should present any future proposal to the Commission, so that all parties to the current rulemaking have an opportunity to review and comment on such request.

13. As DWR contracts expire or are novated, DWR's required operating reserves are also reduced. With the expiration or novation of these contracts, utilities may experience a "negative revenue requirement," which means that the return of operating reserves to be returned to the IOU's electric customers is greater, resulting in a reduction of customer rates.

14. DWR's revenue requirement is allocated by the Commission to return approximately $35 million to PG&E electric customers, approximately $49 million to SCE electric customers, and approximately $15 million to SDG&E electric customers in 2014. This return results in a reduction to the Power Charges

allocated to SCE's electric customers of approximately $27 million, and SDG&E's electric customers of approximately $27 million.

15. DWR states that if, by January 1, 2014, it is no longer legally and financially responsible for the costs of the TSA, it projects that it will have excess reserves that can be returned to ratepayers of $98 million compared to the $59 million it projects in its Final 2014 Determination. In such event, DWR will inform the Commission of such material changes and may revise its revenue requirements accordingly.

16. The Commission issued D.13-11-003 regarding the TSA settlement in the current proceeding at the November 14, 2013 Commission meeting.

17. Past DWR revenue requirement decisions issued by the Commission have required that authorized rates be instituted within 30 days of the issuance date of the decision. This 30-day deadline did not coincide with the slightly later filing of the IOU's AET filings. This timing difference required the IOUs to submit a request to the Commission's Executive Director requesting an extension of the 30-day requirement in the DWR revenue requirement decision.

Conclusions of Law

1. The Commission is obligated to calculate, revise, and impose the Bond Charge and Power Charges on the electric customers of PG&E, SCE, and SDG&E.

2. The methodology authorized in D.10-12-006 to return negative revenue requirement to PG&E electric customers should be adopted for 2014.

3. The methodology authorized in D.11-12-005 to return the negative revenue requirement to SCE electric customers should be adopted for 2014.

4. The methodology authorized in D.12-11-040 to return the negative revenue requirement to SDG&E electric customers should be adopted for 2014.

5. The negative revenue requirements to be returned to PG&E, SCE, and SDG&E electric customers for the year 2014, based on the methodologies discussed in Section 3.3 of this decision, should be adopted.

6. DWR's requested 2014 Bond Charge should be adopted and allocated to the electric customers of PG&E, SCE, and SDG&E, as ordered herein.

7. DWR's requested 2014 Power Charge should be adopted and allocated to the electric customers of PG&E and SDG&E, as ordered herein.

8. Given the Commission's adoption of the TSA settlement in the current proceeding (see D.13-11-003), the Commission should utilize DWR's 2014 revenue requirement scenario that includes consideration of such an eventuality to determine the excess reserves to be returned to electric customers that are adopted herein.

9. This decision construes, applies, implements, and interprets the provisions of AB 1X, and relates to the implementation of DWR's revenue requirement and the establishment and implementation of the Bond Charge and Power Charges necessary to recover that revenue requirement.

10. Since the 30-day deadline authorized in past DWR revenue requirement decisions for instituting rates did not coincide with the slightly later filing of the IOU's AET filings, and since this mismatch required the IOUs to submit a request to the Commission's Executive Director requesting an extension of the 30-day requirement, the Commission should authorize PG&E, SCE, and SDG&E to request institution of the DWR revenue requirement for each IOU, adopted herein, through their respective AET filings, for the year 2014 and every year thereafter.

11. Public Utilities Code Section 1731(c) (applications for rehearing are due within 10 days after the date of issuance of this order) and Public Utilities Code

Section 1768 (procedures applicable to judicial review) are applicable to this decision.

O R D E R

IT IS ORDERED that:

1. The California Department of Water Resource's (DWR) 2014 revenue requirement determination of $874 million (as revised on October 18, 2013) is adopted and allocated as follows to Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E), as shown in Appendix A of this decision, and as detailed below:

   a. As shown in Appendix A of this decision, the 2014 Power Charges allocated to the electric customers of PG&E is set at $ 0.258 per kilowatt-hour (kWh), and shall go into effect on January 1, 2014.

   b. The Commission shall allocate DWR's revenue requirement as follows:

      i. Return approximately $35 million to PG&E's electric customers in 2014;

      ii. Return approximately $49 million to SCE's electric customers in 2014;

      iii. Return approximately $15 million from SDG&E's electric customers in 2014; and

      iv. These allocations result in a reduction to the 2014 Power Charges allocated to SCE's electric customers of $27 million and SDG&E's electric customers of $27 million.

   c. Given the Commission's adoption of the Transportation Services Agreement settlement in the current proceeding (see Decision 13-11-003), the Commission shall utilize the California DWR's 2014 revenue requirement scenario that includes consideration of such an eventuality to determine the excess reserves to be returned to electric customers that are adopted herein.

d. The 2014 Bond Charge allocated to the electric customers of PG&E, SCE, and SDG&E is set at $0.00513 per kWh, and shall go into effect on January 1, 2014.

2. The methodology authorized in Decision 10-12-006 to return the negative revenue requirement to Pacific Gas and Electric Company electric customers is adopted for 2014.

3. The methodology authorized in Decision 11-12-005 to return the negative revenue requirement to Southern California Edison Company electric customers is adopted for 2014.

4. The methodology authorized in Decision 12-11-040 to return the negative revenue requirement to San Diego Gas & Electric Company electric customers is adopted for 2014.

5. The Commission authorizes Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company, to request institution of the California Department of Water Resources revenue requirement for each Investor-Owned Utility, adopted herein, through their respective Annual Electric True-up filings for 2014 and every year thereafter.

6. Public Utilities Code Section 1731(c) (applications for rehearing are due within 10 days after the date of issuance of the order or decision) and Public Utilities Code Section 1768 (procedures applicable to judicial review) are applicable to this decision.

7. Rulemaking 13-02-019 remains open.

This order is effective today.

Dated December 5, 2013, at San Francisco, California.

MICHAEL R. PEEVEY
President
MICHEL PETER FLORIO
CATHERINE J.K. SANDOVAL
MARK J. FERRON
CARLA J. PETERMAN
Commissioners

APPENDIX A

Allocation of 2014 Revenue Requirement Among Utilities

Allocation of 2014 Revenue Requirement Among Utilities
California Department of Water Resources
(Dollars in millions)

Line	Description	PG&E	SCE	SDG&E	Total	Reference
		Scenario 2: DWR pays for TSA, IOU settlement in effect				
1	Allocation Percentages	42.20%	47.50%	10.30%	100.00%	Decision 05-06-060
2						
3	2004-2012 Expenses	12,115	15,119	4,556	31,789	Actuals
4	2004-2012 Revenues	11,698	14,072	4,633	30,403	Actuals
5	Amount to be collected from /(returned to) the IOU USBA	$ 417	$ 1,047	$ (77)	$ 1,386	Line 3 - Line 4
6						
7	2013 Expenses	29	9	32	70	actuals through Aug-13 then projected
8	2013 Revenues	(9)	(58)	40	(27)	actuals through Aug-13 then projected
9	Amount to be collected from /(returned to) the IOU USBA	$ 38	$ 66	$ (8)	$ 97	Line 7 - Line 8
10						
11	**Balancing Calculation**					
12	December 31, 2014 Projected PCA Balance: Desired Allocation	33	37	8	79	
13	January 1, 2004 Starting PCA Balance: Desired Allocation	701	789	171	1,660	
14	Amount to be collected from /(returned to) the IOU USBA	$ (667)	$ (751)	$ (163)	$ (1,582)	Line 12 - Line 13
15						
16	Fixed Transfer Payments Through 2013	178	(411)	233	-	
17	2004-2013 True-up	455	1,113	(85)	1,483	Line 5 + Line 9
18	Starting and Ending balance True-up	(667)	(751)	(163)	(1,582)	Line 14
19	Cumulative True-up to be collected from/(returned to) IOU USBA	$ (35)	$ (49)	$ (15)	$ (99)	Subtotal
20						
21	**2014 Revenue Requirement Determination**					
22	Avoidable Costs	3	-	-	3	2014RptRR
23	Net CFC	12	-	15	27	2014RptRR
24	Fixed Transfer Payments	14	16	(30)	-	includes 2009 Calpine Indifference/Acceleration Pmts
25	Administrative and General	6	7	2	15	2014RptRR
26	Interest Earnings on Fund Balance	(0)	(0)	(0)	(0)	2014RptRR
27	Balancing Transfer between IOUs [(+) is pmt, (-) is receipt]	(35)	(49)	(15)	(99)	Line 19
28	Net Allocation of Revenue Requirements	**$ 0**	**$ (27)**	**$ (27)**	**$ (54)**	
29						
30	Remittance Table					
31	Negative RR with DWR Deliveries	(15)	-	-	(15)	Amount based on power costs only (Lines 22-23)
32	Negative RR without DWR Deliveries	-	(27)	(27)	(54)	Amount based on net RR (Line 28)
33	Positive RR with DWR Deliveries	-	-	-	-	Amount based on net RR (Line 28)
34	Subtotal	**$ (15)**	**$ (27)**	**$ (27)**		
35						
36	DWR Delivered Energy (GWh)	57	NA	NA		
37	Calendar Year Remittance Rates ($/MWh)	258.02	NA	NA		Line 34 divided by Line 36
38						
39	IOU Remitances (payment to DWR)	15		-	15	
40	Return of Excess Amounts (payment to IOUs)	$ (15)	$ (27)	$ (27)	(69)	
41	Final Allocation of Revenue Requirements (after remittances)	**$0.2280**	**$ (27)**	**$ (27)**	**$ (54)**	

California Department of Water Resources
2014 Revenue Requirement Filing
(Dollars in millions)

		Scenario 2: DWR pays for TSA, IOU settlement in effect			
		2014 RR Filing (actuals through Aug-13)			
Line	**Description**	**PG&E**	**SCE**	**SDG&E**	**Total**
1	**Beginning Balance in Power Charge Accounts**				**177**
2					
3	Power Charge Revenues				
4	Power Charge Accounts Operating Revenues	3	-	3	5
5	Power Charge Revenues from Direct Access Customers	-	-	-	-
6	**Total Power Charge Revenues**	**3**	**-**	**3**	**5**
7	IOU Specific Revenue				
8	Surplus (Off-System Sales) Revenue	-	-	-	-
9	Return of Exces Cash	-	-	-	-
10	Avoidable Revenues	-	-	-	-
11	ISO Reimbursement	-	-	-	-
12	Non-IOU Specific Revenue				
13	(Non-IOU Specific Revenue % Allocator)	42.2%	47.5%	10.3%	100.0%
14	Return of Exces Cash	(25)	(28)	(6)	(59)
15	Extraordinary Receipts (see breakout below)	-	-	-	-
16	Non-Avoidable Revenue	-	-	-	-
17	**Total Non-IOU Specific Revenue**	**(25)**	**(28)**	**(6)**	**(59)**
18	**Subtotal**	**(25)**	**(28)**	**(6)**	**(59)**
19	Interest Earnings on Fund Balances	0	0	0	0
20	**Total Power Charge Accounts Operating Revenues**	**(22)**	**(28)**	**(3)**	**(53)**
21					
22	Power Costs				
23	*Non-Avoidable % Allocator*	*42.2%*	*47.5%*	*10.3%*	*100.0%*
24	Non Avoidable Costs	12	-	15	27
25	Williams Gas Adjustment - projected for remainder of year	-	-	-	-
26	Net Non Avoidable Costs	12	-	15	27
27	Avoidable Costs	3	-	-	3
28	Total Contract Costs	15	-	15	30
29	Other Non-Allocated Costs	-	-	-	-
30	**Total Power Costs**	**15**	**-**	**15**	**30**
31					
32	Gas Collateral Costs	-	-	-	-
33	Administrative and General Expenses	6	7	2	15
34	**Total Power Charge Accounts Operating Expenses**	**21**	**7**	**17**	**45**
35					
36	Net Operating Revenues	(43)	(35)	(20)	(99)
37					
38	**Ending Aggregate Balance in Power Charge Accounts**				**$ 79**

California Department of Water Resources
2013 Revenue Requirement Filing
(Dollars in millions)

Line	Description	2013 RR Filing PG&E	2013 RR Filing SCE	2013 RR Filing SDG&E	2013 RR Filing Total	2013 RR Filing (actuals through Aug-13, then projected) PG&E	SCE	SDG&E	Total
1	**Beginning Balance in Power Charge Accounts**				245				**274**
2									
3	Power Charge Revenues								
4	Power Charge Accounts Operating Revenues	1	-	0	1	23	0	35	59
5	Power Charge Revenues from Direct Access Customers	-	-	-	-	1	0	2	4
6	**Total Power Charge Revenues**	**1**	**-**	**0**	**1**	**24**	**0**	**38**	**62**
7	IOU Specific Revenue								
8	Surplus (Off-System Sales) Revenue	-	-	-	-	-	-	-	-
9	Return of Exces Cash	-	-	-	-	(48)	(70)	-	(117)
10	Avoidable Revenues	-	-	-	-	0	-	-	0
11	ISO Reimbursement	-	-	-	-	-	-	-	-
12	Non-IOU Specific Revenue								
13	(Non-IOU Specific Revenue % Allocator)	*42.2%*	*47.5%*	*10.3%*	*100.0%*	42.2%	47.5%	10.3%	100.0%
14	Return of Exces Cash	(26)	(29)	(6)	(62)	-	-	-	-
15	Extraordinary Receipts (see breakout below)	-	-	-	-	10	11	2	20.8666
16	Non-Avoidable Revenue	-	-	-	-	4	0	-	4
17	**Total Non-IOU Specific Revenue**	**(26)**	**(29)**	**(6)**	**(62)**	**14**	**11**	**2**	**28**
18	**Subtotal**	**(26)**	**(29)**	**(6)**	**(62)**	**(34)**	**(58)**	**2**	**(90)**
19	Interest Earnings on Fund Balances	0	0	0	1	0	0	0	1
20	**Total Power Charge Accounts Operating Revenues**	**(25)**	**(29)**	**(6)**	**(60)**	**(9)**	**(58)**	**40**	**(27)**
21									
22	Power Costs								
23	*Non-Avoidable % Allocator*	*42.2%*	*47.5%*	*10.3%*	*100.0%*	*42.2%*	*47.5%*	*10.3%*	*100.0%*
24	Non Avoidable Costs	11	-	31	42	15	-	29	44
25	Williams Gas Adjustment - projected for remainder of year	-	-	-	-	-	-	-	-
26	Net Non Avoidable Costs	11	-	31	42	15	-	29	44
27	Avoidable Costs	5	-	-	5	7	-	1	8
28	Total Contract Costs	16	-	31	46	21	-	30	52
29	Other Non-Allocated Costs	-	-	-	-	1	1	0	2
30	**Total Power Costs**	**16**	**-**	**31**	**46**	**22**	**1**	**31**	**54**
31									
32	Gas Collateral Costs	-	-	-	-	-	-	-	-
33	Administrative and General Expenses	8	9	2	19	7	8	2	16
34	**Total Power Charge Accounts Operating Expenses**	**24**	**9**	**33**	**65**	**29**	**9**	**32**	**70**
35									
36	Net Operating Revenues	(48)	(38)	(39)	(125)	(38)	(66)	8	(97)
37									
38	**Ending Aggregate Balance in Power Charge Accounts**				**121**				**$ 177**

California Department of Water Resources
2012 Revenue Requirement Filing
(Dollars in millions)

Line	Description	2012 RR Filing PG&E	2012 RR Filing SCE	2012 RR Filing SDG&E	2012 RR Filing Total	2012 Actuals PG&E	2012 Actuals SCE	2012 Actuals SDG&E	2012 Actuals Total
1	**Beginning Balance in Power Charge Accounts**				**981**				**1,013**
2									
3	Power Charge Revenues								
4	Power Charge Accounts Operating Revenues	15	31	24	71	95	33	61	189
5	Power Charge Revenues from Direct Access Customers	-	-	-	-	35	9	7	50
6	**Total Power Charge Revenues**	**15**	**31**	**24**	**71**	**130**	**41**	**68**	**239**
7	IOU Specific Revenue								
8	Surplus (Off-System Sales) Revenue	-	-	-	-	-	-	-	-
9	Return of Exces Cash	-	-	-	-	(406)	(382)	-	(787)
10	Avoidable Revenues	-	-	-	-	(0)	-	12	12
11	ISO Reimbursement	-	-	-	-	-	-	-	-
12	Non-IOU Specific Revenue								
13	(Non-IOU Specific Revenue % Allocator)	*42.2%*	*47.5%*	*10.3%*	*100.0%*	42.2%	47.5%	10.3%	100.0%
14	Return of Exces Cash	(291)	(328)	(71)	(690)	-	-	-	-
15	Extraordinary Receipts (see breakout below)	-	-	-	-	10	11	2	24
16	Non-Avoidable Revenue	-	-	-	-	0	-	0	1
17	**Total Non-IOU Specific Revenue**	**(291)**	**(328)**	**(71)**	**(690)**	**10**	**11**	**3**	**25**
18	**Subtotal**	**(291)**	**(328)**	**(71)**	**(690)**	**(396)**	**(370)**	**15**	**(751)**
19	Interest Earnings on Fund Balances	1	1	0	3	1	1	0	2
20	**Total Power Charge Accounts Operating Revenues**	**(275)**	**(295)**	**(47)**	**(616)**	**(265)**	**(328)**	**84**	**(510)**
21									
22	Power Costs								
23	*Non-Avoidable % Allocator*	*42.2%*	*47.5%*	*10.3%*	*100.0%*	*42.2%*	*47.5%*	*10.3%*	*100.0%*
24	Non Avoidable Costs	90	36	48	173	74	36	50	159
25	Williams Gas Adjustment - projected for remainder of year	-	-	-	-	-	-	-	-
26	Net Non Avoidable Costs	90	36	48	173	74	36	50	159
27	Avoidable Costs	4	-	66	71	3	-	64	67
28	Total Contract Costs	94	36	114	244	77	36	113	226
29	Other Non-Allocated Costs	-	-	-	-	3	3	1	7
30	**Total Power Costs**	**94**	**36**	**114**	**244**	**80**	**39**	**114**	**233**
31									
32	Gas Collateral Costs	(0)	-	2	2	(6)	(18)	3	(20)
33	Administrative and General Expenses	9	10	2	21	7	8	2	17
34	**Total Power Charge Accounts Operating Expenses**	**103**	**46**	**118**	**267**	**81**	**29**	**119**	**229**
35									
36	Net Operating Revenues	(377)	(340)	(165)	(883)	(347)	(357)	(36)	(739)
37									
38	**Ending Aggregate Balance in Power Charge Accounts**				**99**				**$ 274**

(END OF APPENDIX A)